



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 10, 2018

H.R. 5634 **Medical Cannabis Research Act of 2018**

As ordered reported by the House Committee on the Judiciary on September 13, 2018

H.R. 5634 would direct the Department of Justice (DOJ) to increase the number of entities that are registered to manufacture cannabis for legitimate research purposes. DOJ would collect registration fees of about \$3,000 annually from each registrant. Such fees are treated in the budget as reductions in direct spending, and DOJ is authorized to spend them without further appropriation. Using information from DOJ, CBO estimates that only a few new manufacturers would be registered each year; thus, the net effect on direct spending would be negligible.

The bill would require the National Institute on Drug Abuse to coordinate with the Food and Drug Administration and the Drug Enforcement Administration to develop and publish recommendations for good manufacturing practices for growing and producing marijuana for research purposes. CBO estimates that the administrative costs associated with publishing such recommendations within 6 months of enactment would be less than \$500,000 over the 2019-2023 period.

Section 3 would authorize the Department of Veterans Affairs (VA) to provide information to veterans regarding participation in cannabis clinical trials that have been approved by the federal government. The section also would allow VA to conduct research on the use of medicinal cannabis. Because VA already has those authorities under current law, CBO estimates that implementing this section would have insignificant costs.

Because enacting the legislation would affect direct spending, pay-as-you-go procedures apply. The bill would not affect revenues.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5634 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

On May 9, 2018, CBO transmitted a cost estimate for H.R. 5520, the VA Medicinal Cannabis Research Act of 2018, as ordered reported by the House Committee on Veterans Affairs on May 8, 2018. Section 3 of H.R. 5634 and H.R. 5520 are similar and CBO's estimates of their budgetary effects are the same.

The CBO staff contact for this estimate is Mark Grabowicz. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.